



Patrick W. Henning, Director
November 7, 2008
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Arnold Schwarzenegger
Governor

Ms. Cheryl Moore, Executive Director
Workforce Investment Board of Ventura County
855 Partridge Dr.
Ventura, CA 93003

Dear Ms. Moore:

WORKFORCE INVESTMENT ACT
NATIONAL EMERGENCY GRANT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Workforce Investment Board of Ventura County's (WIBVC) administration of its Workforce Investment Act (WIA) Southern California Wildfire National Emergency Grant (NEG), Subgrant Number R865498. This review was conducted by Mr. Gerald Lee, Mr. TG Akins, and Mr. Larry Yanni from July 21, 2008 through August 1, 2008. For the program operations portion of the review, we focused primarily on the areas of program administration, participant eligibility, WIA activities, monitoring, and management information system/reporting. For the financial management portion of the review, we focused primarily on expenditures.

Our review was conducted under the authority of Sections 667.400(c) and 667.410(b)(1)(2)(3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by WIBVC with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations and financial management.

We collected the information for this report through interviews with WIBVC representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of sampled case files for participants enrolled in the WIA NEG Project; a review of applicable policies and procedures and documentation retained by WIBVC for a sample of expenditures and procurements.

We received your response to our draft report on October 15, 2008, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed findings 1, 2, and 4 cited in the draft report, no further action is required and we consider these issues resolved.

BACKGROUND

The WIBVC was awarded \$346,707 to operate a WIA NEG Project and serve 28 WIA participants, dislocated from their jobs as a result of the Southern California Wildfires, from November 1, 2007 to December 31, 2008. For the quarter ending June 31, 2008, WIBVC reported that it spent \$229,616 and enrolled 18 participants. We reviewed case files for 18 of the 18 participants enrolled in the NEG Project as of June 31, 2008.

REVIEW RESULTS

While we concluded that, overall, WIBVC is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: expenditure reporting, insufficient source documentation of expenditures, monitoring, and eligibility determination. The findings that we identified in these areas, our recommendations, and WIBVC's proposed resolution of the findings are specified below.

FINDING 1

Requirement: 20 CFR 667.300 (b) states, in part, that a State or other direct grant recipient may impose different forms or formats, shorter due dates, and more frequent reporting requirements on subrecipients.

WIAD06-4 states, in part, that LWIAs are required to report expenditure amounts identified for Core Self Services, Core Registration Services, Intensive Services, Training Payments, Other Training Services, and Other of Section V "Cumulative Expenditures (Program)."

Observation: The WIBVC is currently reporting all program expenditures for Section V, Cumulative Expenditures (Program), under line 5 "Other" or under line 4 "Training Services." As a result, expenditures are not reported according to the activities actually reportedly performed by WIBVC.

Recommendation: We recommended that WIBVC provide CRD with a CAP stating how it will ensure that its program expenditures are reported according to the requirements of WIAD06-4.

WIBVC Response: WIBVC stated that the program expenditures reported under "Intensive Services" should in fact have been reported under "Training Payments, Other Training Services" and "Other." The WIBVC also stated that this anomaly has been corrected and that

future expenditures will be reported in the category in which they belong. WIBVC also provided a copy of the updated JTA reports which showed they had shifted all program expenditures to the "Other Training Services" line. WIBVC staff stated that since they consider the NEG as a training program only, all program services will be reported under "Other Training Services."

State Conclusion: We consider this finding resolved.

FINDING 2

Requirement: OMB A-87 Attachment A(C)(1)(j) states, in part, that for a cost to be allowable, it must be adequately documented.

OMB Circular A-87, Attachment B(C)(3) states, in part, that a cost is allocable to a particular cost objective if the goods and services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.

Observation: We observed that WIBVC does not have supporting documentation for items included in the monthly invoices from its NEG subrecipients. For example, Tri-Counties Labor Foundation submitted an invoice for February 2008 which listed \$6,126.25 for participant supportive services and \$1,591.81 in "other training" costs. When we asked WIBVC staff if they were aware of the items purchased or if the items were WIA allowable costs, they responded that they conduct monitoring visits. Because WIBVC did not have any supporting documentation for its monthly invoices and had not done their monitoring, they were not able to determine if the purchases associated with this invoice were allowable or allocable to the WIA NEG grant.

Recommendation: We recommended that WIBVC provide CRD with a CAP which ensures that, in the future, WIBVC collects supporting documentation for purchases made by its NEG subrecipients when they submit their invoices.

WIBVC Response: WIBVC stated that subrecipients will henceforth submit a list of all purchases with their monthly invoices. Subrecipients will continue to keep all actual receipts on file to substantiate all purchases and that the list will allow WIBVC to keep track of purchases in advance of any monitoring visit. WIBVC also submitted the list of purchases that was attached to the September 2008 invoice for Oxnard City Corps.

State Conclusion: We consider this finding resolved.

FINDING 3

Requirement: 20 CFR 667.400(c)(1), and 667.410(a)-(b) state, in part, that each recipient and subrecipient must continuously monitor WIA grant supported activities and those of all its subrecipients and contractors.

Observation: We observed that WIBVC had not planned to monitor their NEG subrecipients Tri-Counties Labor Foundation and City of Oxnard City Corp. Although the contract for Tri-counties Labor Foundation has ended, WIBVC stated they will conduct a review of both subrecipients.

Subsequent to the on-site review, WIBVC provided documentation that verifies that they have monitored both Tri-Counties Labor Foundation and City of Oxnard City Corp. We consider this issue resolved.

FINDING 4

Requirement: 20 CFR Section 663.105 states, in part, that registration is the process for collecting information to support a determination of eligibility. This information may be collected through methods that include electronic data transfer, personal interview, or an individual's application.

Exhibit B, California National Emergency Grant (NEG) Comments and Conditions in the Ventura County WIA subgrant agreement, modification number 4, states, in part, that the Department of Labor and the State of California will accept an individual's initial signed certification that s/he meets the eligibility criteria, but the subgrantee should have a system in place to verify the eligibility of individuals who have been enrolled on the basis of self-certification.

Observation: We observed that WIBVC did not have a system in place to verify client self-certifications. One case file that we reviewed had conflicting information in its self-certification because the client indicated that they were unemployed five or more weeks but filled out their work history and stated that they were still employed.

Recommendation: We recommended that WIBVC develop and implement a system to verify the client self-certifications and provide CRD with a CAP outlining that system. Additionally, WIBVC will need to provide documentation that substantiates the eligibility of the above individual for the NEG project.

WIBVC Response: WIBVC stated that client self-certifications will normally be accepted absent any reason to question them. WIBVC also stated that the client in question had not been employed at any point during the period from October 6, 2007 through January 30, 2008 but that he was available to work as a substitute teacher.

State Conclusion: We consider this finding resolved.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Division. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than December 10, 2008. If we do not receive a response by this date, we will release this report as the final report. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Division
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. As you know, it is WIBVC's responsibility to ensure that its systems, programs, and related activities comply with the WIA, related Federal regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain WIBVC's responsibility.

Ms. Cheryl Moore

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November 7, 2008

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Mr. TG Akins at (916) 654-8428.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", with a stylized flourish at the end.

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Division

cc: Jose Luis Marquez, MIC 50
Dathan Moore, MIC 50
Daniel Patterson, MIC 45
Linda Patton-Finch, MIC 50